



# **Accountants left short changed**

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Many thousands of Accountants are sitting out there wondering what on earth happened to their dreams in Australia

There is no doubt that the most influential factor for many overseas international students is the prospects of living permanently in Australia after graduation. These students each inject hundreds of thousands of dollars on study, travel and living costs into the Australian economy. The overall international education industry is worth over 20 billion per year and employs in excess of 20,000 Australians.

Further the average skilled migrant creates 1.6 jobs for our economy and the Western Australian premier believes every 3 international students creates one job in the Australian economy.

However you look at it International students and the connection with the possibility of a permanent visa is intrinsically linked as are strong economic benefits for Australia.

## **The Points Test**

The major pathway for international students for a permanent visa is through the 189 points test.

The Australian government create a list of occupations that students can study in, graduate and hope to attain permanent residence in Australia through. This heavily influences the career choices of international students. They don't all stay here, they don't all apply for a permanent visa, though many do.

That attraction is essential to the model that has seen Australia both make billions for the education sector. As well Australia economically benefit because those who attain permanent residence pay taxes from a young age which helps supports our growing retirement and health cost bills. And the bonus is these people paid for all their education by themselves. We did not have to pay a cent.

## Accountants

Now let's look at the total unfairness and mismanagement of those people who study Accountancy as their career choice.

This occupation is very large in Australia. On the latest ABS data there are 191,412 Accountants in Australia. When the government lists an occupation on the skilled list they do not want to unfairly burden or over supply the occupation and so wisely only allow a maximum of 6% of that number to migrate under the Independent (189) points test each program year as a maximum. This is the same for all the occupations on the current skilled list (MLTSSL) except one... The Accountants.

Accountants bring a whole range of skills and have potential job prospects though all industries and in occupations such as Accountants, Clerical and Administration Workers, Auditors, Company Secretaries, Company Treasurers, Sales Workers, Financial Investment Advisers and Managers. Approximately 82% of Accountants (overseas and Australian) attained work within just four months of graduation through those occupational groupings.

Further we note that a joint submission by the CPA/CAANZ to the Department of Immigration in 2018 states the following two points

- Declining numbers of domestic graduates of accounting plus exits from the occupational labour force underscore the necessity of migrant accountants to meet the projected demand. Applied Economics estimate that over the medium term openings for accounting jobs will number around 11,000 per annum
- The operation of independent skilled migration policy does not provide optimism for the future. Indeed, in the most pessimistic of circumstances where accountants is removed altogether from the MLTSSL, the economic cost is large. Modelling using the Victoria University Employment Forecasting (VUEF) model this estimates that a seemingly modest policy change leading to around 6000 less migrant accountants is that real GDP (in 2016 dollars) would be \$1.5- \$2.5 billion less than it otherwise would have been in 2024

Accountants are very valuable.

## Restrictions on Accountants

However the Department of Immigration have chosen to restrict this profession down annually to just 2.5% of the national workforce of Accountants. Further they have also decided to restrict the number of Accountants in the 189 visa further by allowing for the total number of Accountants sponsored by companies and other State and Territory governments in other visa categories to be included in the same figure. The effect is that instead of this occupation receiving 11,485 invitations it was reduced first down to 4,785 (by reducing it from 6% of the workforce to just 2.5%) and then

reduced to 2,374(after removing last year's figure of company and state nominations). The effect being that Accountants have a ceiling on invites reflective of 1.24% of the total number of Accountants in Australia. Every other occupation has a full, healthy 6%.

During this 2017/18 program year in fact the Department of Immigration forgot to initially remove from the Accountant Occupational Ceiling, the sponsored categories. And when they in fact remembered to do this in November 2017 they had already exceeded their target of 2,374. As they had already invited 2,633 Accountants in the 189 visa category. So no Accountants can now be invited for a 189 from December 2017 right through to the end of June 2018.

It gets worse, the Expression of Interest system used to invite people to apply for a 189 visa has many weaknesses and failures at the moment. One of those is that all applicants are waiting so long for an invitation and keen to enhance their chances of an invitation that they lodge multiple Expression Of Interests (EOIs) to hope to get an invite for a 189 visa. Statistical analysis has shown that last program year a massive 24% of invitations were wasted on EOIs that never lodged a visa application (mainly because they had received an invitation from a previous EOI or another visa category). The department have refused to reissue these wasted EOI invitations. So when these wasted invitations are taken into account, the results are horrific. Accountants would have only received 1,995 genuine invitations in the 2017/2018 program year. Or a miserly 1.04%. Compared to all the other occupations who have a maximum ceiling of 6%.

#### Department of Immigration Formula for Accountants

4,785	(2.5% of stock figure – National Accountant workforce 191,411)
- 1,087	(ENS/RSMS Accountants in 2016/17)
- 1,324	(State and Territory sponsored 190/489 Accountants in 2016/17)
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2,374	Official occupational ceiling for Accountants for 189 invitations in 2017/18

#### Why Are Accountants being short changed

The pertinent question is why ? Why would the department keep an occupation on the skilled list that attracts thousands and thousands of overseas international students, earns hundreds of millions of dollars to our economy and employs many thousands of Australians to support these courses, and then only give a miserly 1.04% when it should be 6% ?

In 2014/2015 the Accountants had already had their ceiling reduced to 3% of the national employment base, but at least these places were allocated just for the 189 visa. Then according to government documents obtained by Iscah, the Assistant Immigration Minister in 2015/16 agreed to reduce the ceiling for Accountants across all skilled visas, due to “integrity concerns with the occupation.”

It also was recognised in that document that “This means that generally the only Accountants that are invited to apply have a much higher points-test pass mark than other occupations. Additionally, it encourages Accountants to seek other pathways to permanent residence which may have less stringent requirements, such as the Employer Sponsored or Territory Nominated skilled visa.”

“Integrity concerns” is not defined, but traditionally this issue can arise in visa categories that include a degree of subjective assessment. Most particularly the company sponsored categories or maybe some state sponsored categories that require job offers that may or may not be genuine. However the 189 points test by its construct includes hardly any subjective criteria. It is almost entirely objective criteria. The majority of applicants have Australian qualifications, undertake English tests in Australia, undergo a professional year in Australia, a language test in Australia. All this achieved in our own country with strong protocol and audits of processes.

It is hard to see what, if any, integrity concerns can take place in the 189 visa category. And anyhow if it was the points test that raised concerns, why would the same issues not be prevalent for the other heavily used occupations such as engineering and computing professions. It almost definitely related to integrity concerns with the company sponsored applications.

In which case WHY ON EARTH has this meant that the in comparatively objective, safer 189 visa, we have seen Accountants have their numbers slashed from 6% to an effective 1.04%

And why would the departments policy document state that “.. it encourages Accountants to seek other pathways to permanent **residence which may have less stringent requirements**, such as the Employer Sponsored or Territory Nominated skilled visa.” which is inherently then MORE risky.

### Effect of restrictions

If Accountant invitations had remained at the previous “3% of workforce level” that prevailed prior to 2014/15, the situation would have been so much fairer for Accountants as follows

A massive 9,172 legitimate places have been lost due to this policy related to “integrity concerns”. In fact the loss is around 24% more than that due to the wasted EOI invitation issues mentioned earlier.

## Accountant Occupational Ceilings 2014-2018

Policy	Program Year	Ceiling	EOIs given	Ceiling reached	If remained at 3% of the workforce	Lost Accountant 189 invites from "Integrity concerns"
3% of workforce	2012/13	10440	5608	not filled		
	2013/14	9720	7715	not filled		
	2014/15	5478	5478	used up around May 2015		
	2015/16	2525	2525	pro rata all used	5478	2953
2.5% of workforce across all visas	2016/17	2500	2500	pro rata all used	5610	3110
2.5% of workforce across all visas	2017/18	2374	2633	pro rata all used with error	5742	3109
						9172 (total)

If the Department of Immigration continue with this “integrity concern” 2.5% policy for Accountants into 2018/19, then our estimates are that 85 points will be needed for an invitation, with those at 80 points having to wait around 4-6 months.

Those points totals are enormous compared to the other pro rata occupations where 70 points will likely be enough and some dropping to 65 points. The despair amongst the international student community is deafening and their stress is hard to appreciate.

In our view the Department has misjudged this issue. If these Integrity concerns were in fact mostly attributable to the company sponsored categories, this amounted to just 1,087 places in the 2016/17 program years for Accountants. If every one of these (highly unlikely it was all of them) was an “integrity concern” application then why penalise the objectively assessed points test criteria to the degree of a massive 3,109 places ?

If it was in fact not the company sponsored cohort and there were integrity concerns with the points test applicants, then the Department of Immigration should have done something to rectify this. Three years later legitimate Australian graduate Accountants are still suffering through no fault of their own.

This unfair policy has gone on now for 3 program years and cost 9,172 places to Accountants (even allowing for the reduced 3% ceiling instead of 6% for other occupations). It has meant an unachievable (for most people) invitation mark, enormous stress and despair for those affected and badly damaged the reputation of the Australian education industry. We call on the department to look at the reasons for this policy, reassess if penalising the 189 EOI cohort is the correct adjustment, and reopen the Accountant program in July 2018 at the previous 3% (if not the full 6%) level.

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